

FISCAL NOTE

Bill #: HB0424

Title: Liquor licensee fees to be used to fund program to stop drinking by minors

Primary Sponsor: Buzzas, R

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	\$0	\$0
State Special Revenue	\$725,000	\$725,000
Revenue:		
General Fund	(\$725,000)	(\$725,000)
State Special Revenue	\$725,000	\$725,000
Net Impact on General Fund Balance:	(\$725,000)	(\$725,000)

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|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input checked="" type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Revenue (DOR)

1. This proposal, which is effective July 1, 2005, would require the Department of Revenue to deposit any funds remaining in the liquor enterprise fund at the end of each calendar quarter into a state special revenue account (SSRA). The maximum transfer per fiscal year is \$725,000.
2. The revenue deposited in the SSRA will be used by the Montana Board of Crime Control to operate a program to prevent the consumption of alcoholic beverages by minors, and to assist in the enforcement of laws penalizing that consumption.
3. Under current law, liquor licensing revenues are deposited in the liquor enterprise fund, and at the end of the fiscal year, the licensing revenues less deferred revenues, and less Department of Revenue and Department of Justice appropriations, are distributed to the general fund.
4. Under current law, at fiscal year-end 2004 \$734,102 in licensing revenues was distributed to the general fund. This proposal is estimated to reduce general fund revenues by \$725,000 in FY2006 and FY2007.
5. The department does not anticipate any additional administrative expenses associated with this bill.

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Montana Board of Crime Control (MBCC)

6. It is assumed that costs to administer this program may be paid from this fund.
7. It is also assumed that existing staff will administer these funds and that some of the funding will be used to pay for existing staff time and operations.
8. In FY 2004 there were 3,260 MIP citations identified in the MBCC crime report.
9. In calendar year 2004 there were 103 liquor violations for a sale to a minor. In calendar year 2003 there were 110 liquor violations for a sale to a minor.
10. Currently there are 3,198 consumption liquor licenses in Montana.
11. Grants would be awarded to provide community and tribal based services through a Request For Proposal (RFP) process in support of prevention and enforcement of Underage Drinking Laws using multi-strategies for community and tribal grants with a statewide component, including but not limited to:
 - Provide resources to distribute ID scanners to Alcohol Retailers to help merchants in eliminating underage alcohol sales violation, in the prevention of youth access to alcohol. Currently ID scanners are not widely in use throughout Montana. In addition, services would include resources to provide Responsible Beverage Service Training to alcohol retailers and their employees.
 - Provide resources for Law enforcement activities to include but not limited to compliance checks, party patrols, walkthroughs, keg confiscation/registration, shoulder-taps, cops in shops, zero-tolerance laws, minors in possession laws, and educational component of the laws.
 - Provide resources to the judicial systems in providing community service component in service-learning projects making youth accountable for their actions. Not every justice court has available the resources to oversee the community service component of the MIP laws.
 - Provide resources for information dissemination to include but not limited to a statewide media campaign. Currently Montana does not have a statewide message for Underage Drinking and how it affects youth development.

FISCAL IMPACT:

Montana Board of Crime Control

	FY 2006 <u>Difference</u>	FY 2007 <u>Difference</u>
FTE	0.00	0.00
<u>Expenditures:</u>		
Personal Services	25,000	25,000
Operating Expenses	10,000	10,000
Grants	<u>690,000</u>	<u>690,000</u>
TOTAL	\$725,000	\$725,000

Funding of Expenditures:

State Special Revenue (02)	\$725,000	\$725,000
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Revenues:

State Special Revenue (02)	\$725,000	\$725,000
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Department of Revenue

Revenues:

General Fund (01)	(\$725,000)	(\$725,000)
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Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$725,000)	(\$725,000)
State Special Revenue (02)	\$0	\$0

TECHNICAL NOTES:

The process of awarding grants is best accounted for by continuing appropriations. Grants do not close out precisely at state fiscal year end and adjustments have to be made upon closing.